

JAMES M. AVERY Direct Dial: 617/856-8112 E-Mail: javery@brownrudnick.com

March 8, 2006

One
Financial
Center
Boston
Massachusetts
02111
tel 617.856.8200
fox 617.856.8201

#### HAND DELIVER

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, Massachusetts 02110

Re:

D.T.E. 05-86 - Order Establishing Standards for Arrearage

Management Programs for Low-Income Customers

Dear Secretary Cottrell:

In response to the Department's Order in the above-referenced proceeding dated February 28, 2006, The Berkshire Gas Company respectfully requests Department approval of the enclosed Residential Assistant Adjustment Clause, Tariff Number M.D.T.E. No. 380, proposed to be effective March 1, 2006. The revised tariff addresses the recently approved cost recovery mechanism for arrearage management programs. A blacklined revision of this tariff is also included for your convenience.

Please call me if you require further assistance with respect to this matter.

Thank you for your time and attention to this matter.

Very truly yours,

BROWN RUDNICK BERLACK ISRAELS LLP

JMA/pt Enclosure

CC:

Kevin Brannelly, Director (w/enc via hand delivery)

Elizabeth A. Celluci, Esq., Hearing Officer (w/enc via hand delivery)

Service List

Karen L. Zink, President, COO and Treasurer

Jennifer M. Boucher, Manager, Regulatory Economics

# 1393713 v2 - AVERYJM - 070652/0012



#### **DO NOT SEND SERVICE LIST WITH LETTER**

One
Financial
Center
Boston
Massachusetts
02111
tel 617.856.8200
fox 617.856.8201

Service List: 05-86-B

Andrew Newman, Esq. 7 Wells Avenue, Suite 23 Newton, MA 02459

John K. Habib, Esq. Keegan, Werlin & Pabian, LLP 265 Franklin Street Boston, MA 02110-3113

Jerrold Oppenheim, Esq. Low-Income Energy Affordability Network 57 Middle Street Gloucester, MA 01930

Amy G. Rabinowitz, Esq.
National Grid USA Service Company
25 Research Drive
Westborough, MA 01582

Patricia M. French, Esq. NiSource Corporate Services Company 300 Friberg Parkway Westborough, MA 01581

Colleen McConnell, Esq., Assistant Attorney General Office of the Attorney General One Ashburton Place Boston, Massachusetts 02108-1598 Mr. Elliot Jacobson Action, Inc. 47 Washington Street Gloucester, MA 01930

Thomas P. O'Neill, Esq. KeySpan Energy Delivery 52 Second Avenue, 4<sup>th</sup> Floor Waltham, MA 02451

Charles Harak, Esq. National Consumer Law Center 77 Summer Street, 10th Floor Boston, MA 02110

Kevin Penders, Esq. New England Gas Company 100 Weybosset Street Providence, RI 02903

Stephen H. Klionsky, Esq. Western Mass. Electric Company 100 Summer Street, 23rd Floor Boston, MA 02110

Gary Epler, Esq. Until Service Corporation 6 Liberty Lane West Hampton, NH 03842

#### RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE

#### 1.01 Purpose

The Residential Assistance Adjustment Clause ("RAAC") establishes the procedures that allow The Berkshire Gas Company (the "Company"), subject to the jurisdiction of the Department of Telecommunications and Energy (the "Department" or "D.T.E."), to recover, on an annual basis commencing with the Peak Season, the Revenue Shortfall ("RS") resulting from increased discount rate enrollment, as well as incremental costs related to the administration of the Company's approved Residential Arrearage Management Program ("RAMP").

#### 1.02 **Applicability**

This Residential Assistance Adjustment Factor ("RAAF") shall be applied to all firm throughput of the Company subject to the jurisdiction of the Department as determined in accordance with the provisions of this rate schedule. The RAAF shall be determined annually by the Company as defined below, subject to review and approval by the Department. For billing purposes, the RAAF shall be included in the Local Distribution Adjustment Factor. As stated in Section 1.07, the application of the factor may, for good cause shown, be modified by the Department.

#### 1.03 **Definitions**

- "Baseline Period" is the twelve-month period ended June 30, 2005. (1)
- "Company" is The Berkshire Gas Company. (2)
- "Prior Year" is the twelve-month period ending June 30 immediately preceding the (3) effective date of the new RAAF.

#### Calculation of Residential Assistance Adjustment Factor 1.04

The Company's calculation of the RS will be based upon the incremental increase in the lowincome discount in excess of the low-income discount collected through base rates during the Baseline Period. The calculation of the incremental costs of the RAMP shall include all administrative program costs net of any benefits from the RAMP as determined by the Company's historical records. The RS plus the RAMP shall be divided by the firm throughput volumes as forecast by the Company. The resulting RAAF shall be applied to firm Customers during such twelve-month period commencing November 1st of each year.

Filed: March 8, 2006 Issued by: Karen L. Zink March 1, 2006 Effective:

#### 1.05 Residential Assistance Adjustment Factor Formula

The RAAF shall be calculated according to the following formula:

 $RAAF = \underbrace{RS + RAMP + RA}_{A:TPvol}$ 

and:

RS = Cust(DCust) + Cust(AvgT)(DDist)

Where:

RAAF:

The annual Residential Assistance Adjustment Factor.

RS:

The Revenue Shortfall resulting from increased discount rate

enrollment.

RAMP:

The incremental costs associated with the administration of the

Company's RAMP.

RA:

The Reconciliation Adjustment shall include the amount of

(over)/under collection of the RS and the RAMP from the end of the Prior Year, inclusive of the associated interest. Reconciliations shall be performed monthly and interest shall be calculated on the average monthly reconciling balance consistent with Department regulations

and added to the reconciling balance.

A:TPvol:

Annual forecasted throughput volumes inclusive of all sales and

transportation throughput.

Cust:

The estimated increase in number of customers enrolled on the low-

income rates.

DCust:

The difference between the non-discounted and discounted customer

charge for the applicable rates.

AvgT:

The estimated average weather-normalized therm usage per customer

for the forecast period as determined by the Company.

DDist:

The difference between the non-discounted and discounted

distribution charges for the applicable rates.

Issued by: Karen L. Zink

Filed: Effective: March 8, 2006 March 1, 2006

Pittsfield, Massachusetts

M.D.T.E. No. 380 Cancels M.D.T.E. No. 375

#### Page 3 of 3

#### 1.06 Information to be filed with the Department

Information pertaining to the RAAF shall be filed with the Department at least 45 days before the date on which the new RAAF is to be effective. This information shall be submitted with each annual RAAF filing, along with complete documentation of the reconciliation adjustment calculation.

#### 1.07 Other Rules

The Department may, where appropriate, on petition or on its own motion, grant an exception from the provisions of the applicable regulations and this rate schedule, upon such terms that it may determine to be in the public interest. The operation of this rate schedule is subject to all powers of suspension and investigation vested in the Department by Chapter 164 of the General Laws of the Commonwealth of Massachusetts.

Issued by: Karen L. Zink

Filed: Effective: March 8, 2006 March 1, 2006

Pittsfield, Massachusetts

M.D.T.E. No. 380 Cancels M.D.T.E. No. 375

Page 1 of 3.

1063

Deleted: 375 Deleted: 2

Formatted: Right

Formatted Table

#### RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE

#### 1.01 Purpose

The Residential Assistance Adjustment Clause ("RAAC") establishes the procedures that allow The Berkshire Gas Company (the "Company"), subject to the jurisdiction of the Department of Telecommunications and Energy (the "Department" or "D.T.E."), to recover, on an annual basis commencing with the Peak Season, the Revenue Shortfall ("RS") resulting from increased discount rate enrollment, as well as incremental costs related to the administration of the Company's approved Residential Arrearage Management Program ("RAMP").

Deleted: revenue shortfall as a result of

#### 1.02 Applicability

This Residential Assistance Adjustment Factor ("RAAF") shall be applied to all firm throughput of the Company subject to the jurisdiction of the Department as determined in accordance with the provisions of this rate schedule. The RAAF shall be determined annually by the Company as defined below, subject to review and approval by the Department. For billing purposes, the RAAF shall be included in the Local Distribution Adjustment Factor. As stated in Section 1.07, the application of the factor may, for good cause shown, be modified by the Department.

#### 1.03 Definitions

- (1) "Baseline Period" is the twelve-month period ended June 30, 2005.
- (2) "Company" is The Berkshire Gas Company.
- (3) "Prior Year" is the twelve-month period ending June 30 immediately preceding the effective date of the new RAAF.

#### 1.04 Calculation of Residential Assistance Adjustment Factor

The Company's calculation of the RS will be based upon the incremental increase in the low-income discount in excess of the low-income discount collected through base rates during the Baseline Period. The calculation of the incremental costs of the RAMP shall include all administrative program costs net of any benefits from the RAMP as determined by the Company's historical records. The RS plus the RAMP, shall be divided by the firm throughput volumes as forecast by the Company. The resulting RAAF shall be applied to firm Customers during such twelve-month period commencing November 1st of each year.

Deleted: revenue shortfall

**Deleted:** estimated revenue shortfall. plus

Deleted: prior period Reconciling Adjustment,

Formatted: Font: Bold

Formatted Table

Deleted: October 17, 2005

Deleted: November

Deleted: 2005

Issued by: Karen L. Zink

Filed: Effective: March 8, 2006 March 1, 2006

Pittsfield, Massachusetts

M.D.T.E. No. 380 Cancels M.D.T.E. No. 375

Page 2 of 3 1

Deleted: 375

Formatted: Right

Formatted Table

Deleted: 2

#### 1.05 Residential Assistance Adjustment Factor Formula

The RAAF shall be calculated according to the following formula:

RAAF = RS + RAMP + RAA:TPvol

and:

RS = Cust(DCust) + Cust(AvgT)(DDist)

Deleted: [(RA<sub>x</sub>)+

Deleted: )]/A:TPvol-

Where:

The annual Residential Assistance Adjustment Factor. RAAF:

The Revenue Shortfall resulting from increased discount rate RS:

enrollment.

The incremental costs associated with the administration of the RAMP:

Company's RAMP.

The Reconciliation Adjustment shall include the amount of <u>RA</u>:

> (over)/under collection of the RS and the RAMP from the end of the Prior Year, inclusive of the associated interest. Reconciliations shall be performed monthly and interest shall be calculated on the average monthly reconciling balance consistent with Department regulations

and added to the reconciling balance.

Annual forecasted throughput volumes inclusive of all sales and A:TPvol:

transportation throughput.

Cust: The estimated increase in number of customers enrolled on the low-

income rates.

The estimated average weather-normalized therm usage per customer AvgT:

for the forecast period as determined by the Company.

The difference between the non-discounted and discounted DDist:

distribution charges for the applicable rates.

Deleted: RA,

Deleted: for Year,

Deleted: be

Deleted: shall be based on the actual number of customers participating in the Company's discounted rates and those customers' actual monthly weathernormalized usage. Interest

Formatted: Font: 8 pt

Deleted: DCust: The difference between the non-discounted and discounted customer charge for the applicable rates.¶

Deleted: DCust: The difference between the non-discounted and discounted customer charge for the applicable rates.¶

Deleted: A:TPvol: Annual forecasted throughput volumes inclusive of all sales and transportation throughput.§

Formatted: Left, Indent: Left: 1",

Hanging: 1"

Formatted: Font: 12 pt, Not Bold

Formatted Table

Deleted: October 17, 2005

Deleted: November

Deleted: 2005

#### Information to be filed with the Department 1.06

March 8, 2006. Karen L. Zink Filed: Issued by: Effective: March, I, 2006,

Pittsfield, Massachusetts

M.D.T.E. No. 380 Cancels M.D.T.E. No. 375

Page 3 of 3.

Deleted: 2
Formatted: Right

Deleted: 375

Formatted Table

Information pertaining to the RAAF shall be filed with the Department at least 45 days before the date on which the new RAAF is to be effective. This information shall be submitted with each annual RAAF filing, along with complete documentation of the reconciliation adjustment calculation.

#### 1.07 Other Rules

The Department may, where appropriate, on petition or on its own motion, grant an exception from the provisions of the applicable regulations and this rate schedule, upon such terms that it may determine to be in the public interest. The operation of this rate schedule is subject to all powers of suspension and investigation vested in the Department by Chapter 164 of the General Laws of the Commonwealth of Massachusetts.

Formatted Table

Deleted: October 17, 2005

Deleted; November

Deleted: 2005

 Issued by:
 Karen L. Zink
 Filed:
 March 8, 2006.

 Effective:
 March 1, 2006.



JAMES M. AVERY Direct Dial: 617/856-8112 E-Mail: javery@browarudnick.com

March 8, 2006

One
Financial
Center
Boston
Massachusetts
02111
tel 617.856.8200
fax 617.856.8201

#### HAND DELIVER and ELECTRONIC FILING

Mary L. Cottrell, Secretary Department of Telecommunications and Energy One South Station Boston, Massachusetts 02110

Re: An Act Relative to Heating Energy Assistance and Tax Relief

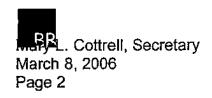
St. 2005, c. 140, §17 (the "Act")

Dear Secretary Cottrell:

Pursuant to the Department's order in D.T.E. 05-86-B and a settlement reached with the Low-Income Energy Affordability Network ("LEAN"), enclosed please find a revised copy of the Residential Arrearage Management Plan ("RAMP") of The Berkshire Gas Company ("Berkshire"). A blacklined version of the RAMP showing changes from the December 30, 2005 version is also enclosed. Berkshire and LEAN jointly move for approval of this compliance filing which addresses the requirements of the Department's order but also includes certain enhancements that further the objectives of the Act Relative to Heating Assistance and Tax Relief, St. 2005, c. 140, §17 (the "Act"). This revised RAMP results from extensive discussions between the parties and is offered to address the requirements of the Department's decision and the Act.

This Settlement, as reflected in the revised RAMP, shall not be deemed in any respect to constitute an admission by any party that any allegation or contention in this proceeding is true or false and the entry of an order by the Department pursuant to this Settlement shall not in any respect constitute a determination by the Department as to the merits of any allegations or contentions made in this proceeding. This Settlement has no precedential effect and the Parties shall not refer to provisions of this Settlement in other proceedings as having any precedential effect whatsoever.

This Settlement is expressly conditioned upon the Department's acceptance of all provisions herein, without change or condition, on or before March 31, 2006. The discussions which have produced the Settlement have been conducted on the explicit understanding that all offers of settlement and discussions relating hereto are and shall be privileged, shall be without prejudice to the position of any Party presenting such offer or participating in any such discussion, and are not to be used in any manner in connection with this or other proceedings involving any one or more of the Parties or otherwise. This Settlement is submitted on the condition that, in the event the Department does not by order accept it in its entirety, it shall be deemed withdrawn and the Settlement and all supporting materials shall not constitute any part of the record in this proceeding or be used for any other purpose. The Department shall have continuing jurisdiction to enforce the terms of this Settlement.



Thank you for your attention to this matter.

Very truly yours,

BROWN RUDNICK BERLACK ISRAELS LLP

By: #

LOW-INCOME ENERGY AFFORDABILITY NETWORK

Jerrold Oppenheim

JMA/cdw/jdc Enclosure

cc: E

Elizabeth Cellucci, Esq., Hearing Officer (w/enc via hand delivery)

Service List (w/enc)

Karen L. Zink, President, COO and Treasurer (w/enc)

Jennifer M. Boucher, Supervisor - Rates and Planning (w/enc)

# 1417542 v1 - AVERYJM - 070652/0012

## THE BERKSHIRE GAS COMPANY RESIDENTIAL ARREARAGE MANAGEMENT PROGRAM

March 8, 2006

#### I. Overview

The Residential Arrearage Management Program ("RAMP") will offer low income customers (i.e., currently defined as customers served pursuant to rate codes R-2 and R-4) of The Berkshire Gas Company ("Berkshire" or "the Company") a variety of measures to manage arrearages, including payment plans, arrearage forgiveness, continuing coordination for the benefit of eligible customers with respect to energy efficiency initiatives and continuing guidance for eligible customers with respect to other energy related financial aid and assistance. The Company's RAMP is designed to benefit customers by reducing their natural gas arrearage while concurrently assisting customers in managing utility bill payments and also providing increased energy savings measures in their homes. Berkshire will also continue to assist its low income customers in coordinating with various weatherization and fuel assistance agencies to take full advantage of available energy related aid.

#### II. Description

The RAMP will offer an array of programs and services for eligible customers. These programs include existing opportunities such as budget billing and installment payment plans.

See Attachment A. The RAMP will also include a new arrearage forgiveness program that will be available to eligible low income customers with arrearage balances. The maximum forgiveness amount will have a lifetime cap of \$3,000, similar to the lifetime cap for the Residential Assistance for Families in Transition ("RAFT") Program. The annual maximum forgiveness for non-heating customers (rate code R-2) shall be \$300 to ensure that an appropriate incentive remains for maintaining the terms of their commitment. The central feature of the new RAMP forgiveness program will be the conditional forgiveness of up to \$3,000 of the eligible customer's outstanding, past due gas bills owed at the time of application,

after applying the amount of any pending emergency financial assistance (e.g., First Call For Help, Citizens Energy, RAFT, etc.) For purposes of the RAMP, fuel assistance funding will be included as a reduction to the final payment calculation. Attachment B provides a sample calculation of the amount eligible for forgiveness programs and Attachment C the derivation of the associated payment requirements.

To participate in the RAMP program, customers must enter into and sign an agreement that contains the following primary terms:

- An agreement to pay the agreed upon portion of the customer's arrearage over a twelve (12) month period (See Attachment B for an example of calculation of the eligible arrearage amount).
- A downpayment, if required, of an amount not to exceed twenty-five percent (25%) of the customer's total outstanding balance.
- A balanced (level) payment plan for a minimum of four months in order to provide participants with the most affordable payment possible (See Attachment C for example of calculation of the payment amount).
  - The payment amount shall be calculated to reflect (i) an amount equal to the established arrearage divided equally over the term of the RAMP commitment; and (ii) the customer's future projected costs (based on historical consumption) for the next twelve (12) months in order to ensure that both the balance owed at the beginning of the program and the gas cost that will be incurred over the length of the RAMP payment plan are paid in full by the end of the twelve (12) month program period.
  - o A participant's monthly RAMP forgiveness program payment amount may be recalculated and adjusted (increased / decreased) by the Company based upon the customer's actual consumption to ensure that the payment amount is sufficient to prevent an arrearage balance at the end of the program payment period.

When a participating customer makes a forgiveness program payment on time, forgiveness "credits" shall be applied directly to the total outstanding balance reflected in the customer's account, reducing the customer's eligible arrearage. Credits to be applied from RAMP payments will be allocated to the customer's account in equal installments that correspond to the length of the negotiated payment plan. If the customer fails to satisfy the monthly RAMP payment commitment, the payment plan will be terminated and any remaining

RAMP benefit will be forfeited unless the customer makes all missed payments on the plan within 30 days after notice is mailed to the Customer's address of record. The customer must pay all missed payments along with the current month's payment in order to be reinstated on the RAMP payment plan and continue in the RAMP program. A maximum of two (2) "reinstatements" will be allowed on RAMP payment plans. Payments returned by the bank due to non-sufficient funds will result in the reversal of that month's RAMP credit amount. The Company may waive these monthly payments and reinstatement requirements, upon request, where a participating customer has made a good faith effort to perform his or her obligations pursuant to the RAMP and demonstrates a commitment to reducing his or her arrearage and, but for legitimate reasons beyond his or her control, cannot meet a specific obligation.

In order to participate in the forgiveness program, customers must also apply for and agree to participate in all other financial assistance programs available to them (e.g., fuel assistance, weatherization / conservation, etc.) This requirement is intended to encourage customers to take measures that should lower their energy costs over the long term which provides increased opportunity to financially manage future energy costs.

RAMP forgiveness program customers will also be protected from service termination so long as they honor the commitments established in the payment plan.

The Company may request a RAMP forgiveness repayment term of less than four (4) months upon approval of the Department of Telecommunications and Energy (the "Department") for good cause after notice to the customer. A customer may also request a RAMP forgiveness payment term of between four (4) and twelve (12) months which shall be granted by the Company. RAMP forgiveness program terms beyond 12 months in length will be considered extraordinary and may require approval of the Department.

#### III. RAMP Eligibility Criteria

The following eligibility guidelines must be satisfied for a customer to participate in the RAMP forgiveness program:

- Customer must maintain an active account and currently be receiving gas service.
- Customer must have outstanding bills in arrears (60 days) of at least \$300.
- Customer must complete an agreed upon RAMP term before they can re-apply for any remaining lifetime RAMP benefit.
- Customer of record on the gas service account must complete an application in person for the RAMP program and provide the same information required on the Low Income Home Energy Assistance Program ("LIHEAP") application. Berkshire will make alternate provisions for housebound customers.
- Customer of record must reside at the location where the gas service is provided.
- The applicant must sign a consent form for the community action councils in the Company's service territory, currently Berkshire Community Action Council ("BCAC") and Franklin Community Action Council ("FCAC") and / or other agencies to release information to the Company pertaining to the customer's fuel assistance application and / or for income verification purposes.
- The customer of record must verify their receipt of any means-tested public benefit program or verify their eligibility for the low-income home energy assistance program ("LIHEAP") or its successor program, for which the combined gross annual household income for the customer of record must fall within 200% of the Federal Poverty Level Guideline for the household size.
- Customer must also apply for and agree to participate in all other financial assistance programs available to them (e.g., fuel assistance, weatherization / conservation, etc.)
- Customer must not be a landlord account (where tenants pay utilities to the landlord).
- With the exception of the provisions for reinstatement as described in paragraph II, Customers re-applying to participate in the arrearage forgiveness program must have satisfied the terms of all of his or her prior payment commitments in order to be eligible to execute a subsequent arrearage forgiveness agreement.
- If at any point in time it is determined that the customer misrepresented any of the information provided at the time of application (e.g., failed to disclose all income, account established under fraudulent name and identification, etc.), RAMP credits applied to the account will be reversed and the customer will be disqualified.

#### IV. Implementation and Dissemination of Information

Berkshire shall offer the RAMP to all of its qualifying customers as soon as approval of the program is received by the Department. Berkshire will implement a comprehensive initiative to advise customers of this new option in a manner consistent with any relevant Department requirements.

#### V. RAMP Evaluation and Cost Recovery Mechanism

Berkshire may modify the forgiveness component of the RAMP consistent with any directives of the Department, including any requirements imposed in D.T.E. 05-86.

The cost of the arrearage forgiveness component of the RAMP as well as the administrative costs related to the RAMP and contributions described in Section VII, below, will be deferred by the Company with carrying costs, reconciled and recovered annually through the Berkshire Residential Assistance Adjustment Factor to be submitted to and approved by the Department. Administrative costs shall include, but not be limited to, applicable regulatory and legal fees, printing, mailing, incremental labor, and system enhancements, among other things. The Company shall recover program costs net of any benefits. Program costs shall include the costs and expenses described above and shall be reduced by an estimation of (i) the arrearage amount that would have been collected from participating customers in the absence of the RAMP and (ii) the reduction in the Company's arrearage management costs (including, without limitation, reduced collection costs, reduced shut off costs, reduced bad debt expense, increased revenue), in both cases based upon internal historical Company records.

#### VI. Consistency with Other Programs

The Company's agreement to enroll any customer in any aspect of the RAMP, including the arrearage forgiveness component, shall not constitute a waiver of any other rights or remedies available to either the customer or the Company unless expressly provided in the relevant agreement.

#### VII. Coordination with BCAC/FCAC

The Company recognizes that customers participating in the arrearage forgiveness component of the RAMP will benefit from the consulting and advisory services of BCAC and FCAC, including eligibility determination and other services. In recognition of the value of these services and in order for these agencies to take such steps as are required with respect to this program, the Company is negotiating arrangements with BCAC and FCAC and will report to the Department as soon as the negotiations are completed. Berkshire, BCAC and FCAC will meet periodically to discuss the scope of consulting and advisory services to be performed, procedures for communication and to evaluate the success of this program. The Company, BCAC and FCAC shall discuss the level of future contributions by the Company, if any, at the end of the 12-month term of this program.

#### ATTACHMENT A

#### Information Regarding Existing Arrearage Management Opportunities

# Energy Saving Tips from Berkshire Gas

#### NO-COST WAYS TO SAVE ENERGY & MONEY

- About 16% of an average home energy bill goes just for heating water. Use cold water when washing clothes.
- Take a five-minute shower instead of a bath to reduce hot water use.
- Do only full loads when you use the clothes washer or dishwasher to avoid wasting hot water.
- Check the temperature on your water heater. It should be set at
  "warm," or a thermometer held under running water should read
  no more than 120 degrees. If it's higher, lower the temperature on
  your water heater thermostat.
- If you have a warm air heating system, check the furnace filter each month, and clean or replace it as needed. Dirty filters block air flow through your heating equipment, increasing your energy bill and shortening the equipment's life.
- Set your heating thermostat to 55° degrees or lower while you're way and also at bedtime.
- Close the fizeplace damper when not in use. Consider installing glass doors on the fireplace.
- When cooking, keep the lids on pots. Better yet, use a microwave oven instead of a conventional range or oven.

#### LOW-COST WAYS TO SAVE ENERGY & MONEY

- Install energy-saving, low-flow showerheads and sink aerators to reduce hot water use.
- Seal up your windows and doors with caulking and weatherstripping to ensure that you're not wasting energy on heat that escapes through leaks to the outdoors.
- Install an ENERGY STAR® programmable thermostat and save about \$100 each year; it adjusts the temperature automatically for you.
- Install foam gaskets behind electric-outlet and switch-plate covers.
- Duct tape works well on lots of things, but it often fails when
  used on ductwork! Use mastic (a gooey substance applied with a
  paintbrush) to seal all exposed ductwork joints in areas such as
  the attic, crawlspace, or basement. Insulate ducts to improve your
  heating system's efficiency and your own comfort.

In the winter, storm windows can reduce your heat loss by 25% - 50%. As an alternative, you can improve your windows temporarily with inexpensive plastic sheeting installed on the inside.

#### WEATHERIZE

 Warm air leaking out of your home during the winter wastes money. A handy homeowner can seal up holes to the outside, weather-strip doors, caulk windows, and often even insulate attic floors, basements, and crawl space walls. It's important to weatherize before adding insulation.

#### INSULATE

#### Insulation can reduce your heating needs by up to 30%

- The easiest and most cost-effective way to insulate your home is to add insulation in the attic. If you have less than R-22 (6 or 7 inches), you could probably benefit by adding more. Most U.S. homes should have between R-38 and R-49 attic insulation.
- Insulating your walls will improve the comfort of your home and reduce your energy bills dramatically. Remember to insulate the walls or ceiling of your crawl space and/or basement.

#### IMPROVE YOUR HEATING SYSTEM

#### Up to half of your energy bill goes just for heating

- Turn your heat down every night and whenever you leave home.
   Better yet install an ENERGY STAR® programmable thermostat and save about \$100 each year; it adjusts the temperature automatically for you.
- Replace your hot water tank with the most efficient one possible. Consider an indirect water heater (a super-insulated storage tank connected to a boiler) or a tankless, on-demand system (these won't work for everyone, so talk to your installer).
- Replace your boiler or warm air furnace with the highest efficiency model possible. Changing out heating equipment with ENERGY STAR® qualified models can cut your annual energy costs by 20 percent.

#### IMPROVE YOUR WINDOWS

- If your home has only single pane windows, consider replacing them with ENERGY STAR® windows.
- Alternatively, storm windows can reduce your winter heat loss by 25 - 50%.
- Check for drafts coming from doors and windows, then caulk and weather-strip them as necessary

Sources: Dept. of Energy, Environmental Protection Agency, and Alliance to Save Energy

#### Helpful Energy Efficiency Links

MassSave, www.masssave.com

This site provides current information on all Massachusetts' gas and electric utility energy efficiency programs and rebates.

GasNetworks, www.gasnetworks.com

This site provides current information on all natural gas energy efficiency rebate programs in our area. CasNetworks is a collaborative of New England natural gas companies. Berkshire Gas is a founding member of CasNetworks.

Energy Star, www.energystar.gov

Alliance to Save Energy, www.ase.org

National Energy Foundation, http://www.nef1.org

United States Department of Energy, http://www.energysavers.gov

Office of Energy Efficiency and Renewable Energy, www.eere.energy.gov/consumer/tips/

#### Online Home Audit Tools

LBNUs "Home Energy Saver" - http://hes.lbl.gov/ EPA's "Home Improvement Toolbox" - www.epa.gov/hhiptool/ ASE's "Home Energy Checkup" - www.ase.org/checkup/home/



## Residential Energy Efficiency Programs

#### HOW CAN BERKSHIRE GAS HELP YOU?

Berkshire Gas is taking steps to make our natural gas heating customets' homes more energy efficient. If you heat your home with natural gas, we will help pay for the installation of approved energy-saving measures that will increase your home's energy efficiency and save you money.

#### ENERGY EFFICIENCY PROGRAMS 1-800-944-3212

Heating customers are eligible for 50% (up to \$1,500) of the installed cost of the following energy-saving measures:

- Attic Insulation
- Duct Insulation
- Floor Insulation
- Wall Insulation
- · Pipe Insulation
- Clock Thermostats
- Crawl Space Insulation
- · Instrumented Air Scaling

#### FINANCING 1-800-944-3212

In addition, Berkshire Gas and Greylock Federal Credit Union have teamed up to offer a low 8.25% A.P.R. financing for all of the measures and systems as described.

## HOW MUCH WILL BERKSHIRE GAS CONTRIBUTE?

Single-Family, Owner-Occupied Homes

Non Low Income: 50% of installed cost (up to \$1,500) applicable to customers who install one or more of the energy-saving measures recommended during the site visit.

Low Income: 100% of installed cost (customers eligible for Weatherization or Fuel Assistance Programs administered by Department of Housing and Community Development).

#### Rental Property/Multifamily

Single Family Buildings: Non Low Income: 50% of installed cost (up to \$1,500) applicable to customers who install one or more of the energy-saving measures recommended during the site visit.

Low Income: 100% of installed cost (Customers eligible for Weatherization or Fuel Assistance Programs administered by Department of Housing and Community Development).

Multifamily Buildings: (Low Income and Non Low Income) 50% of installed cost (up to \$1,500) applicable to customers who install one or more of the energy-saving measures recommended during the site visit.

Berkshire Gas contribution will be made directly to installation contractor.

## HIGH-EFFICIENCY HEATING SYSTEM & WATER HEATING REBATE PROGRAMS 1-800-944-3212

Through these programs, we want to increase eustomer awareness and promote the installation of high-efficiency natural gas heating systems and high-efficiency water heating equipment. Good news for you and the environment!

To obtain a rebate application, please call the number above. The rebate guidelines are as follows:

#### Heating Systems

Type of Heating system	AFUE	Rebate amount
Furnace (for Hot Air Systems)	90.0% or greater	\$150.00
Furnace (equipped with an ECM motor or equivalent)	92.0% or greater	\$400.00
Boiler (for Forced Hot Water Systems)	85.0% or greater	\$500.00
Steam Boilers	82.0% or greater	\$200.00

#### Water Heating Equipment

Indirect-Fixed Storage Tank Models (connected romatural gas heatingssystem).		\$300
On-Demand, Tankless Models (Minimum 82:Energy Factor and electronic ignition)	2	\$300

#### Other Equipment

Energy Star\* Labeled Thermostar Rebate Energy Star\* Labeled Windows Rebate

Rebate of \$25.00 per thermostat (maximum of two) Rebate of \$10.00 per window (up to 50 windows)

#### Also eligible for financing are:

Gas Water Heaters

Gas Fireplaces

Natural Gas Grills

Kitchen Appliances

Gas Dryers

Cost of a new gas main

Gas Ranges

Replacement Windows

<sup>\*</sup>All programs subject to change without notice.



#### Dear Customer;

Lately, energy prices have been a hot topic in the media. Given what you may have read or heard, we wanted to pass along our perspective on both natural gas supply and prices. You should know that we cannot control the market-based price of natural gas nor do we make any profit on the natural gas you use; the cost of the natural gas you use is passed along to you without any markup.

#### Why Natural Gas Prices Have Increased

While there are abundant, untapped reserves of natural gas in the United States, Canada and Mexico, natural gas production has been flat over the last several years while demand has been increasing rapidly. A contributing factor to the increasing demand is the huge growth in natural gas-fueled electric generation. Over the past decade, more than 90% of all new electric generation has been fueled by natural gas, largely due to environmental requirements. The bottom line is that flat supply combined with increasing demand means higher prices.

#### Meeting Your Energy Needs

We have planned ahead to secure natural gas for the winter season, and we fully expect to be able to meet your needs. Our strategy for obtaining the natural gas you need includes purchasing natural gas to put in storage when prices are lower. We also purchase natural gas from the Gulf of Mexico and Canada on an ongoing basis, always doing our best to buy natural gas as economically as possible. During peak winter periods, our pipeline supplies are also supplemented with propane and liquefied natural gas (LNG). This diverse mix of supply sources provides reliability and assures you of more adequate supplies to meet your energy needs during this heating season and beyond.

Berkshire Gas recently filed its winter season natural gas price projection with the Massachusetts Department of Public Utilities which became effective November 1, 2005. In that filing, we indicated that we anticipate your total monthly bill to be 30% more than a year ago due primarily to the increased cost of natural gas. This projection assumes that there are no further "shocks to the system," such as the terrible blow delivered by Hurricane Katrina. It also assumes normal winter weather. While we believe the 25% to 35% projected increase in natural gas bills this winter reported by the Federal Energy Information Administration, American Gas Association and Northeast Gas Association is a reasonable estimate, we cannot predict exactly what is going to happen to bills as a result of natural gas supply prices.

#### How You Can Save Energy and Money

The best way to manage your energy costs is through our Budget Billing Program. Budget payment plans allow you to spread your energy costs evenly over the year. To learn more and find out if you are eligible, please call our Customer Care Center at (800) 292-5012.

You can control your heating costs by using energy wisely and making sure that both your natural gas-fired equipment and your home are as efficient as possible. Taking some simple steps like turning down your thermostat whenever possible can go a long way toward helping you manage your energy costs.

Enclosed are two documents: One includes the energy conservation programs we offer and energy saving tips for your household, and the other includes information on our payment plans and payment assistance programs. I encourage you to read these documents and take action right away.

Again, with natural gas supply prices beyond our control, you can take control of your energy costs by using energy wisely and making sure that you are using the most efficient natural gas-fired equipment for all of your energy needs.

You can be sure that we will continue to work to purchase natural gas at the lowest possible price on your behalf. We take this responsibility very seriously. Working together, we will get through these challenging times. In the meantime, rest assured that your natural gas will be there when you need it.

Sincerely,

Karen L. Zink President

Karen L. Zist

## **Payment Assistance Programs**

#### BERKSHIRE GAS PROGRAMS

#### Payment Methods

Berkshire Gas provides a variety of payment methods for the convenience of our customers including mail, automatic payment and a variety of walk-in locations.

#### Payment Locations

Berkshire County

Berkshire Gas 115 Cheshire Road, Pittsfield

Ralph Williams Plumbing/Heating 397 Main Street, Dalton

Bill's Pharmacy 362 Main Street, Great Barrington

Banknorth 90 Main Street, North Adams

Banknorth 57 Spring Street, Williamstown

Franklin/Hampshire County

Berkshire Gas 40 Mill Street, Greenfield

Foster's Supermarket 70 Allen Street, Greenfield

People's Bank Hampshire Mall, Hadley

#### "BG Direct" Automatic Payments

"Berkshire Oas Direct" is a free service that allows customers the convenience of having the monthly gas bill automatically deducted from their checking or savings bank account twenty (20) days from the billing date. It's a check-free, stamp-free and worry-free way to pay your gas bills. To learn more, call our Customer Care Center at (800) 292-5012 or visit www.berkshiregas.com and click on the link to Customer Care.

#### **Budget Payment Plans**

Budget payment plans allow customers more affordable payments by averaging higher winter bills with lower summer bills. This helps to spread the cost of winter heating over the entire year. To learn more and find out if you are eligible, please call our Customer Gare Center at (800) 292-5012.

#### Installment Payment Plans for Overdue Balances

Customers may enter into an installment payment plan to pay overdue charges. Berkshite Gas will allow a minimum of four months for the customer to pay overdue balances. A down payment may be required. To learn if you are eligible for a payment plan and the specific details of the plan, please call (800) 292-5012.

#### Low-Income Discount Rate

Discounted non-heating and heating delivery charges are available to low-income residential customers that:

Qualify for any means-rested public benefit program; OR

Are eligible for the Law-Income Home Energy Assistance Program (LIHEAP) or its successor program; AND the household's gross income does not exceed 175% of the federal poverty level.

Please call (800) 292-5012 for more information.

#### Financial Hardship

Financial Hardship is certified when residential customers meet the income eligibility guideline for the Low-Income Home Energy Assistance Program (LIHEAP).

Please call (800) 292-5012 for more information.





#### Protection from Disconnection

Protection from disconnection of gas service due to non-payment .

All members of the household are sixty-five years of age or older. Carservice may be disconnected with the approval of the Massachusetts Department of Telecommunications and Energy (MDTE).

The customer cannot afford to pay the overdue stillty bills because saffmancial hardship; AND

The customer hears the home by natural gas. Protection from disconnection of service is only provided during the winter period of November 15 to March 15,

A member of the household has a physician-certified illness that would be aggravated by the lack of gas service.

A child under twelve months of age resides in the home.

Please call (800) 292-5012 for more information.

#### OTHER FINANCIAL ASSISTANCE RESOURCES

## Low-Income Home Energy Assistance Program (LIHEAP)

A federally funded program to assist eligible low-income households pay a portion of home winter heating bills. LIHSAP is available to both homeowners and renters. Eligibility and payment amount determined by family size and gross annual household income.

#### Heating Emergency Assistance Retrofit Task Weatherization Assistance Program (HEARTWAP)

This grant program provides low-income, fuel assistance-eligible homeowners with assistance for:

Heating system repair/replacement services

Heating system cleanings

Free energy, health and safety audit

Free attic and/or side-wall insulation, air scaling, weather-stripping and other winterization energy repairs

LIHEAP and HEARTWAP available through:

Berkshire Community Action Council Pittsfield (413) 445-5671, North Adams (413) 663-3514 or Great Barrington (413) 528-1947

Franklin Community Action Council Antherst (800) 370-0940 or Greenfield (413) 774-2318

#### Good Neighbor Fund

The Good Neighbor Fund provides electric, gas, or uil heating assistance to Massachusetts residents with gross household income between 200% and 275% of Federal Poverty income Guidelines. This program is harded by Massachusetts utilities and utility customers. There is a maximum \$27 benefit per household.

The Cood Neighbor Fund is administered by the Salvation Ack Amheest (413) 586-5243 Great Barrington (800) 262-1320 Pittafield (413) 442-0624 North Admin (413) 663-7987 Greenfield (413) 773-3154

## Residential Assistance for Families in Transition (RAFT) Program

RAFT is a state-funded program for families at risk of homelessness. The program may help to pay overdue heating bill balances for eligible familie Eligibility requirements include:

Homeless family lacking permanent residence or at risk of homelessar, a Family of two or more with dependent child under 71 or disabled adult. Sufficient income to support future expenses.

Rent/mortgage payment cannot exceed 50% of income

Meet 50% of median income guideline for household size

Documentation and verification of address, income, financial hardship an utility arreanage

The RAFT Program is offered through Berkshire Housing
Development Corp. and is available in Berkshire County and Franklin
County.
(413) 499-1630

### Bookhaladahladdaaa/Baladaaa/N

The Berkshire Gas Company
PO Box 1388
Pittsfield MA 01202-9973

POSTAGE WILL BE PAID BY ADDRESSEE

BUSINESS REPLY MAIL







# The Berkshire Gas 12-month BUOGETPAN The Easy Way to Pay

Everyone knows that heating costs are higher in January and February. That's why Berkshire Gas offers an easy 12-month Budget Plan. When you enroll in this FREE service, you spread your gas costs into equal monthly payments, making it easy to manage your finances.

We simply look at your previous year's usage to determine your monthly amount.\*

It's easier than ever to sign up today for the FREE Berkshire Gas 12-month Budget Plan. Just CALL 1-888-779-8410, then select option 3. Or complete the attached form and drop it in the mail. In order to register, your account must be up-to-date and all past balances must be paid.

\*Monthly payment amount may be adjusted, up or down, twice a year, based on your actual current year usage.

An Energy East Company

## **BudgetPlanApplication**

To enroll in The Berkshire Gas Budget Plan, please call 1-888-779-8410 (select option 3) or complete this card and mail it today. Customers currently enrolled in the program will be renewed automatically.

Account Number			 	 						
Name	<u> </u>		 		-		_			_
Street			 	 		-			_	
City/Town/State		<i>.</i>	 					<u> </u>		
Telephone			 	 				-	_	

Please complete and mail today or call

1-888-7/79-84:10

#### ATTACHMENT B

#### Example of Forgiveness Payment Plan Calculation

#### Heating Customer Example:

TOTAL ACCOUNT BALANCE	\$1,675.00
Current Bill (not in arrears)	- \$275.00
Total Arrears	\$1,400.00
Less Pending Emergency Assistance	- \$200.00
Residential Arrearage Management Program (RAMP) Benefit Amount at 100% of Balance of Past Due Bills	\$1,200.00

The benefit amount is credited over a twelve (12) month period at a rate of 1/12 of the benefit amount applied per month (e.g., 1/12 of \$1,200.00 = \$100.00 credit per month).

Since the Residential Arrearage Management Program (RAMP) has a lifetime maximum benefit of up to \$3,000.00, this customer could re-apply for the remaining \$1,800.00 RAMP benefit if they fell back into arrears in the future. Customers must meet the program guidelines on each application and have completed the program on the prior application.

#### Non-Heating Customer Example:

* TOTAL ACCOUNT BALANCE	\$675.00
Current Bill (not in arrears)	- \$75.00
Total Arrears	\$600.00
Residential Arrearage Management Program (RAMP) Benefit	\$300.00
Amount at maximum annual benefit of \$300.00	\$300.00

The benefit amount is credited over a twelve (12) month period at a rate of 1/12 of the benefit amount applied per month (e.g., 1/12 of \$300.00 = \$25.00 credit per month).

Since the Residential Arrearage Management Program (RAMP) has a lifetime maximum benefit of up to \$3,000.00, this customer could re-apply for the remaining \$2,700.00 RAMP benefit if they fell back into arrears in the future. Customers must meet the program guidelines on each application and have completed the program on the prior application.

#### ATTACHMENT C

#### **Example of Forgiveness Plan Calculation**

#### Example Heating Customer RAMP Plan Calculation

Using the same information from the benefit amount calculation:

DESCRIPTION AND AND ADDRESS OF THE PROPERTY OF	<b>EAMOUNT</b>
Beginning Account Balance	\$1675.00
Less Customer Down Payment of up to 25% of Total Account Balance (if any)	- \$175.00
Less Pending Emergency Assistance	- \$200.00
Less Residential Arrearage Management Program (RAMP) Benefit	- \$1200.00
Plus Projected Bills for Next Twelve (12) Months	+ \$1750.00
Less Fuel Assistance	- \$840.00
Balance Forward	\$910.00
Customer's Monthly Payment Amount Over Twelve (12) Months	\$76.00

Note: The down payment and customer's monthly payment amount(s) are rounded to the nearest whole or five dollar amount.

#### Example: Non-Heating Customer RAMP Plan Calculation

Using the same information from the benefit amount calculation:

DESCRIPTION	AMOUNT
Beginning Account Balance	\$675.00
Less Customer Down Payment of up to 25% of Total Account Balance (if any)	- \$175.00
Less Residential Arrearage Management Program (RAMP) Benefit	- \$300.00
Plus Projected Bills for Next Twelve (12) Months	+ \$600.00
Balance Forward	\$800.00
Customer's Monthly Payment Amount Over Twelve (12) Months	\$67.00

Note: The down payment and customer's monthly payment amount(s) are rounded to the nearest whole or five dollar amount.

# 1417556 v6 - AVERYJM - 070652/0012

## THE BERKSHIRE GAS COMPANY RESIDENTIAL ARREARAGE MANAGEMENT PROGRAM

December 30, 2005 March 8, 2006

#### I. Overview

The Residential Arrearage Management Program ("RAMP") will offer low income heating customers (i.e., currently defined as customers served pursuant to rate codes R-2 and R-4) of The Berkshire Gas Company ("Berkshire" or "the Company") a variety of measures to manage arrearages, including payment plans, arrearage forgiveness, continuing coordination for the benefit of eligible customers with respect to energy efficiency initiatives and continuing guidance for eligible customers with respect to other energy related financial aid and assistance. The Company's RAMP is designed to benefit customers by reducing their natural gas heating arrearage while concurrently assisting customers in managing utility bill payments and also providing increased affordable-energy savings measures in their homes. Berkshire will also continue to assist its low income heating-customers in coordinating with various weatherization and fuel assistance agencies to take full advantage of available energy related aid.

#### II. Description

The RAMP will offer an array of programs and services for eligible customers. These programs include existing opportunities such as budget billing and installment payment plans. See Attachment A. The RAMP will also include a new 50% winter—arrearage forgiveness program that will be available to eligible low income heating—customers with winter—arrearage balances. The maximum forgiveness amount will have a lifetime cap of \$3,000, similar to the lifetime cap for the Residential Assistance for Families in Transition ("RAFT") Program. The annual maximum forgiveness for non-heating customers (rate code R-2) shall be \$300 to ensure that an appropriate incentive remains for maintaining the terms of their commitment. The central feature of the new RAMP forgiveness program will be the conditional forgiveness of up to 50%\$3,000 of the eligible customer's outstanding, past due gas winter heating—bills

(November March) owed at the time of application, less after applying the amount of any pending emergency financial assistance (e.g., First Call For Help, Citizens Energy, RAFT, etc.) For purposes of the RAMP, fuel assistance funding will be included as a reduction to the final payment calculation. Attachment B provides a sample calculation of the amount eligible for forgiveness programs and Attachment C the derivation of the associated payment requirements.

To participate in the RAMP program, customers must enter into and sign an agreement that contains the following primary terms:

- An agreement to pay 50% of the eligible winterthe agreed upon portion of the customer's arrearage over a twelve (12) month period (See Attachment B for an example of calculation of the eligible arrearage amount).
- A mandatory downpayment, if required, of any amount not to exceed twenty-five percent (25%) of the customer's total outstanding balance.
- A balanced (level) payment plan for a minimum of four months in order to provide participants with the most affordable payment possible (See Attachment C for example of calculation of the payment amount).
  - The payment amount shall be calculated to reflect (i) an amount equal to the established arrearage divided equally over the term of the RAMP commitment; and (ii) the customer's future projected costs (based on historical consumption) for the next twelve (12) months in order to ensure that both the balance owed at the beginning of the program and the gas cost that will be incurred over the length of the RAMP payment plan are paid in full by the end of the twelve (12) month program period.
  - A participant's monthly RAMP forgiveness program payment amount may be recalculated and adjusted (increased / decreased) by the Company based upon the customer's actual consumption to ensure that the payment amount is sufficient to prevent an arrearage balance at the end of the program payment period.

When a participating customer makes a forgiveness program payment on time, forgiveness "credits" shall be applied directly to the total outstanding balance reflected in the customer's account, reducing the customer's eligible arrearage. Credits to be applied from RAMP payments will be allocated to the customer's account in equal installments that correspond to the length of the negotiated payment plan. If the customer fails to satisfy the monthly RAMP payment commitment, the payment plan will be terminated and any remaining

RAMP benefit will be forfeited unless the customer makes all missed payments on the plan within 30 days after notice is mailed to the Customer's address of record. The customer must pay all missed payments along with the current month's payment in order to be reinstated on the RAMP payment plan and continue in the RAMP program. A maximum of two (2) "reinstatements" will be allowed on RAMP payment plans. Payments returned by the bank due to non-sufficient funds will result in the reversal of that month's RAMP credit amount. The Company may waive these monthly payments and reinstatement requirements, upon request, where a participating customer has made a good faith effort to perform his or her obligations pursuant to the RAMP and demonstrates a commitment to reducing his or her arrearage and, but for legitimate reasons beyond his or her control, cannot meet a specific obligation.

In order to participate in the forgiveness program, customers must also apply for and agree to participate in all other financial assistance programs available to them (e.g., fuel assistance, weatherization / conservation, etc.) This requirement is intended to encourage customers to take measures that should lower their energy costs over the long term which provides increased opportunity to financially manage future energy costs.

RAMP forgiveness program customers will also be protected from service termination so long as they honor the commitments established in the payment plan.

The Company may request a RAMP forgiveness repayment term of less than four (4) months upon approval of the Department of Telecommunications and Energy (the "Department") for good cause after notice to the customer. A customer may also request a RAMP forgiveness payment term of between four (4) and twelve (12) months which shall be granted by the Company. RAMP forgiveness program terms beyond 12 months in length will be considered extraordinary and may require approval of the Department.

#### III. RAMP Eligibility Criteria

The following eligibility guidelines must be satisfied for a customer to participate in the RAMP forgiveness program:

- Customer must maintain an active account and currently be receiving gas service.
- Customer must have outstanding winter-heating-bills in arrears (60 days) of at least \$300.
- Customer must complete an agreed upon RAMP term before they can re-apply for any remaining lifetime RAMP benefit.

Customer of record on the gas service account must complete an application in person for the RAMP program and provide the same information required on the Low Income Home Energy Assistance Program ("LIHEAP") application. Berkshire will make alternate provisions for housebound customers.

- Customer of record must reside at the location where the gas service is provided.
- The applicant must sign a consent form for the community action councils in the Company's service territory, currently Berkshire Community Action Council ("BCAC") and Franklin Community Action Council ("FCAC") and / or other agencies to release information to the Company pertaining to the customer's fuel assistance application and / or for income verification purposes.
- The customer of record must verify their receipt of any means-tested public benefit program or verify their eligibility for the low-income home energy assistance program ("LIHEAP") or its successor program, for which the combined gross annual household income for the customer of record must fall within 200% of the Federal Poverty Level Guideline for the household size.
- Customer must also apply for and agree to participate in all other financial assistance programs available to them (e.g., fuel assistance, weatherization / conservation, etc.)
- Customer must not be a landlord account (where tenants pay utilities to the landlord).
- With the exception of the provisions for reinstatement as described in paragraph II. Customers re-applying to participate in the arrearage forgiveness program must have satisfied the terms of all of his or her prior payment commitments in order to be eligible to execute a subsequent arrearage forgiveness agreement! the customer has re applied for the RAMP program after a prior participation, customer must have satisfied the prior payment commitment in order to qualify.
- If at any point in time it is determined that the customer misrepresented any of the information provided at the time of application (e.g., failed to disclose all

income, account established under fraudulent name and identification, etc.), RAMP credits applied to the account will be reversed and the customer will be disqualified.

#### IV. <u>Implementation and Dissemination of Information</u>

Berkshire shall offer the RAMP to all of its qualifying customers as soon as approval of the program is received by the Department-but no later than March 1, 2006. Berkshire will implement a comprehensive initiative to advise customers of this new option in a manner consistent with any relevant Department requirements.

#### V. RAMP Evaluation and Cost Recovery Mechanism

Berkshire may modify the forgiveness component of the RAMP consistent with any directives of the Department, including any requirements imposed in D.T.E. 05-86.

The distribution cost pertion of the arrearage forgiveness component of the RAMP as well as the administrative costs related to the RAMP and contributions described in Section VII, below, will be deferred by the Company with carrying costs, reconciled and recovered annually through the Berkshire Residential Assistance Adjustment Factor to be submitted to and approved by the Department. Administrative costs shall include, but not be limited to, applicable regulatory and legal fees, printing, mailing, incremental labor, and system enhancements, among other things. The gas cost portion of the arrearage fergiveness component of the RAMP will be recovered through the cost of gas adjustment clause. The Company shall recover program costs net of any benefits. Program costs shall include the costs and expenses described above and shall be reduced by an estimation of (i) the arrearage amount that would have been collected from participating customers in the absence of the RAMP and (ii) the reduction in the Company's arrearage management costs (including, without limitation, reduced collection costs, reduced shut off costs, reduced bad debt expense, increased revenue), in both cases based upon internal historical Company records.

#### VI. Consistency with Other Programs

The Company's agreement to enroll any customer in any aspect of the RAMP, including the debt\_arrearage forgiveness component, shall not constitute a waiver erof any other rights or remedies available to either the customer or the Company unless expressly provided in the relevant agreement.

#### VII. Coordination with BCAC/FCAC

The Company recognizes that customers participating in the arrearage forgiveness component of the RAMP will benefit from the consulting and advisory services of BCAC and FCAC, including eligibility determination and other services. In recognition of the value of these services and in order for these agencies to take such steps as are required with respect to this program, the Company is negotiating arrangements with BCAC and FCAC and will report to the Department as soon as the negotiations are completed. Berkshire, BCAC and FCAC will meet periodically to discuss the scope of consulting and advisory services to be performed, procedures for communication and to evaluate the success of this program. The Company, BCAC and FCAC shall discuss the level of future contributions by the Company, if any, at the end of the 12-month term of this program.

The Company's agreement to enroll any customer in any aspect of the RAMP, including the debt\_arrearage forgiveness component, shall not constitute a waiver erof any other rights or remedies available to either the customer or the Company unless expressly provided in the relevant agreement.

#### VII. Coordination with BCAC/FCAC

The Company recognizes that customers participating in the arrearage forgiveness component of the RAMP will benefit from the consulting and advisory services of BCAC and FCAC, including eligibility determination and other services. In recognition of the value of these services and in order for these agencies to take such steps as are required with respect to this program, the Company is negotiating arrangements with BCAC and FCAC and will report to the Department as soon as the negotiations are completed. Berkshire, BCAC and FCAC will meet periodically to discuss the scope of consulting and advisory services to be performed, procedures for communication and to evaluate the success of this program. The Company, BCAC and FCAC shall discuss the level of future contributions by the Company, if any, at the end of the 12-month term of this program.